

Remitter Name:

Address:

City:

State:

Zip Code:

Contact Person:

Telephone Number:
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UNIFORM PRODUCTION AND ROYALTY REMITTANCE

Required under authority of Part 5, Section 502, of Act 451 of 1994, as amended.

PLEASE NOTE: Submission of this information is required pursuant to lease terms and conditions. Noncompliance with lease requirements may result in placement on the Hold Action List and/or other legal remedies as determined necessary.

Column Key: Provided on the reverse side.

(A) Property Payment / Well ID #	(B) Producing Unit Name	(C) Well Permit Number	(D) Prod Type	(E) Prod Month	(F) Prod Year	(G) 100% Gross Volume	(H) PSI Basis	(I) Measure- ment Basis	(J) Mmbtu Conv Factor	(K) % of Vol Paying For	(L) \$ - Gross Price	(M) \$ - Gross Revenue	(N) Decimal Interest	(O) \$ - State Gross Royalty	(P) Cost Code	(Q) \$ - Gross Costs	(R) \$ - Net Costs	(S) \$ - Net Cash Royalty
Signature of Remitter:								Date:						SUMMARY OF NET CASH ROYALTY: \$				

Make checks or money orders payable to the “**State of Michigan**”. *Do not send cash.* Submit the full payment with the completed Remittance form.

**MAIL TO: CASHIER’S OFFICE
FINANCIAL SERVICES DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951**

**OVERNIGHT EXPRESS TO: CASHIER’S OFFICE
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
530 WEST ALLEGAN
LANSING MI 48933**

**** Do Not Write Below – For DNR Cashier’s Use Only ****

COLUMN KEY – Explanation of Column Headings and Instructions

(A)	<u>Property Payment / Well ID # (Well Identification Number)</u>	Unique alphanumeric string used by the company to identify each producing unit for royalty payment purposes.
(B)	<u>Producing Unit Name</u>	Full name of permitted well or unitized area, etc.
(C)	<u>Well Permit Number</u>	Number of permitted well for individual producing unit.
(D)	<u>Prod Type (Production Type)</u>	Type of hydrocarbon/mineral sold, i.e., oil, gas, plant product, etc.
(E)	<u>Prod Month (Production Month)</u>	Month of production of the hydrocarbon/mineral.
(F)	<u>Prod Year (Production Year)</u>	Year of production of the hydrocarbon/mineral.
(G)	<u>100% Gross Volume</u>	Report the volume as sold under the sale contract(s). If the producing unit is for gas and the gas volumes are sold under separate contracts, report each sale individually.
(H)	<u>PSI Basis (Pounds per Square Inch Basis)</u>	When reporting the sale of gas products, identify the standard pressure basis used to compute the volume of gas sold under the actual contract, i.e., Thousand Cubic Feet (Mcf) at 14.65, 14.73 or 15.025 psi at 60 degrees Fahrenheit.
(I)	<u>Measurement Basis</u>	Unit of measurement for production, Barrel (Bbl), Million British Thermal Units (Mmbtu) or Mcf.
(J)	<u>Mmbtu Conv. Factor (Mmbtu Conversion Factor)</u>	Factor to convert Mmbtu volume back to Mcf at 14.73 psi at 60 degrees Fahrenheit, or, factor to convert volume from Mcf to Mmbtu.
(K)	<u>% of Vol Paying For (% of Volume Paying For)</u>	Percentage of total volume the remitter is responsible for paying toward the royalty due to the State.
(L)	<u>\$ - Gross Price</u>	Full gross price plus any reimbursements. Do not net any portion of costs from the gross price.
(M)	<u>\$ - Gross Revenue</u>	Full gross revenue including reimbursements (Column 'G' x Column 'K' x Column 'L' = Column 'M'). Do not net any portion or costs from the gross revenue.
(N)	<u>Decimal Interest</u>	Decimal interest responsible for paying. Round to the 7 th decimal place.
(O)	<u>\$ - State Gross Royalty</u>	Full gross royalty including reimbursements (Column 'M' x Column 'N' = Column 'O'). Do not net any portion of costs from the gross royalty.
(P)	<u>Cost Code</u>	Type of cost deducted (list individually): PRC – Processing, i.e., Carbon Dioxide (CO ₂), Hydrogen Sulfide (H ₂ S), and/or Nitrogen (N ₂) removal; TPY – Third Party; TRN – Transportation; OTH - Other.
(Q)	<u>\$ - Gross Costs</u>	Full gross costs in which the State of Michigan is going to share.
(R)	<u>\$ - Net Costs</u>	Portion of costs to be charged against the State's gross royalty (Column 'Q' x Column 'N' = Column 'R').
(S)	<u>\$ - Net Cash Royalty</u>	Royalty paid to the State after expenses deducted (Column 'O' – Column 'R' = Column 'S').

NOTICE:

Any royalty payments for any prior period adjustments to the State's royalty must first back out the original transaction entirely and then provide the entire adjustment/correction with a comment explaining the reason for the adjustment.

Any royalty payments remitted which are not for the most current production month must have a written comment just below the transaction(s) describing what the payment is for and why it is being made, i.e., Prior Period Adjustment, Correction in volume per MichCon report.